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A handwritten signature in cursive script, reading "Dennis Montali", is written over a horizontal line.

DENNIS MONTALI
U.S. Bankruptcy Judge

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*Proposed Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re

PG&E CORPORATION,

-and-

PACIFIC GAS AND ELECTRIC
COMPANY,
Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**ORDER PURSUANT TO 11 U.S.C. § 327(e)
AND FED. R. BANKR. P. 2014(a) AND
2016 FOR AUTHORITY TO RETAIN
AND EMPLOY MUNGER, TOLLES &
OLSON LLP AS COUNSEL FOR
CERTAIN MATTERS THE DEBTORS
EFFECTIVE AS OF THE PETITION
DATE**

1 Upon the Application, dated February 13, 2019 (the “**Application**”), of PG&E Corporation
2 (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in
3 possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the
4 “**Chapter 11 Cases**”), pursuant to section 327(e) of title 11 of the United States Code (the
5 “**Bankruptcy Code**”) and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure
6 (the “**Bankruptcy Rules**”), for authority to retain and employ Munger, Tolles & Olson LLP
7 (“**MTO**” or “**Firm**”) as counsel for certain matters for the Debtors effective as of the Petition
8 Date, under a general retainer, all as more fully set forth in the Application; and this Court having
9 jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. §§
10 157 and 1334, and the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*,
11 General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District
12 Court for the Northern District of California (the “**Bankruptcy Local Rules**”); and consideration
13 of the Application and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b);
14 and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and
15 proper notice of the Application having been provided to the parties listed therein, and it appearing
16 that no other or further notice need be provided; and this Court having reviewed the Application,
17 the Weissmann Declaration, the Loduca Declaration, and the Wells Declaration; and upon the
18 record of the Hearing (if any was held) and all of the proceedings had before the Court; and this
19 Court having found and determined that the relief sought in the Application is in the best interests
20 of the Debtors, their estates, creditors, shareholders, and all parties in interest; and that the legal
21 and factual bases set forth in the Application establish just cause for the relief granted herein; and
22 after due deliberation and sufficient cause appearing therefor,

23 **IT IS HEREBY ORDERED THAT:**

- 24 1. This Application is granted as provided herein.
- 25 2. The Debtors are authorized, pursuant to section 327(e) of the Bankruptcy Code and
26 Bankruptcy Rules 2014(a) and 2016, to retain and employ MTO as counsel under the
27 terms and conditions set forth in the Application and the Weissmann Declaration
28 effective *nunc pro tunc* to the Petition Date.

1 3. The Weissmann Declaration sets for the services being provided by, and to be provided
2 by, MTO to the Debtors with respect to the following matters (the “**Specific**
3 **Matters**”):

- 4 a. Advising and representing the Debtors with respect to federal, state, and local
5 laws and regulations as they relate to (1) wildfires and the effects of wildfire
6 liabilities on the Debtors’ businesses; (2) the relative jurisdiction of the
7 California Public Utilities Commission (“**CPUC**”), the Federal Energy
8 Regulatory Commission (“**FERC**”), and federal courts, including the
9 Bankruptcy Court; and (3) motions and other negotiations and proceedings in
10 the Chapter 11 Cases, and other legal proceedings, that may affect the interests
11 of the CPUC and/or parties in CPUC proceedings involving the Debtors,
12 including matters that may affect or relate to the Debtors’ management,
13 governance, structure, and rates;
- 14 b. Advising and representing the Debtors in CPUC Proceedings, including but not
15 limited to: (a) R.19-01-006, Order Instituting Rulemaking to Implement Public
16 Utilities Code Section 451.2 Regarding Criteria and Methodology for Wildfire
17 Cost Recovery Pursuant to Senate Bill 901 (“**CPUC Proceeding R.19-01-**
18 **006**”); (b) I.15-08-019, Order Instituting Investigation on the Commission’s
19 Own Motion to Determine Whether Pacific Gas and Electric Company and
20 PG&E Corporation’s Organizational Culture and Governance Prioritize Safety
21 (“**CPUC Proceeding I.15-08-019**”); (c) A.19-02-016, Application of Pacific
22 Gas and Electric Company for a Waiver of the Capital Structure Condition
23 (“**CPUC Proceeding A.19-02-016**”); (d) A.18-11-001, Application of Pacific
24 Gas and Electric Company to issue, sell, and deliver one or more series of Debt
25 Securities and to guarantee the obligations of others in respect of the issuance
26 of Debt Securities; to execute and deliver one or more indentures; to sell, lease,
27 assign, mortgage, or otherwise dispose of or encumber utility property; to issue,
28 sell and deliver in one or more series, cumulative Preferred Stock -- \$25 Par

1 Value, Preferred Stock -- \$100 Par Value, Preference Stock or any combination
2 thereof; to utilize various debt enhancement features; and enter into interest rate
3 hedges (“**CPUC Proceeding A.18-11-001**”); (e) A.18-10-003, Application of
4 Pacific Gas and Electric Company to increase its authority to finance short-term
5 borrowing needs and procurement-related collateral costs by \$2.0 billion to an
6 aggregate amount not to exceed \$6.0 billion (“**CPUC Proceeding A.18-10-**
7 **003**”); and (f) any other related or similar CPUC proceeding or other CPUC
8 proceeding arising from the matters for which MTO is representing the
9 Debtors;

10 c. Advising and representing the Utility regarding its rights and obligations under
11 various power purchase agreements, including in connection with *NextEra*
12 *Energy, Inc., et al. v. Pacific Gas and Electric Company*, FERC Docket No. 19-
13 35-000, and *PG&E Corp. et al. v. Federal Energy Regulatory Commission*,
14 Adv. Proc. No. 19-03003 (N.D. Cal.); advising and representing the Utility on
15 any appeal from these matters and, potentially, as an amicus curiae in other
16 proceedings involving similar legal issues;

17 d. Advising the Debtors regarding compliance with laws and regulations
18 governing public utilities, including Division 1, Part 1 of the California Public
19 Utilities Code and the CPUC’s affiliate transaction rules (including Decision
20 06-12-029 and related decisions);

21 e. Advising and representing the Debtors as necessary and appropriate with
22 respect to potential actions by state government actors, including the legislature
23 and the CPUC, that may affect or relate to the Debtors’ reorganization, plan,
24 and operations, including with respect to liability standards, insurance and
25 related cost-spreading regimes, recovery of costs in rates and the Debtors’
26 management, governance and structure;

27 f. Advising and representing the Debtors with respect to issues arising under
28 California law that may affect or relate to the Debtors’ reorganization, plan and

- 1 operations; California corporate law including but limited to fiduciary duties
2 and opinions regarding due authority; California law governing corporate
3 forms; the California Public Records Act;
- 4 g. Advising and representing the Debtors with regard to potential criminal, civil,
5 and administrative liability in connection with the 2017 and 2018 Northern
6 California wildfires, including:
- 7 i. Advising and representing the Debtors in civil or administrative
8 proceedings relating to the 2017 and 2018 Northern California wildfires;
- 9 ii. Advising and representing the Debtors concerning the Butte County
10 Settlement;
- 11 iii. Coordinating with Debtors' counsel in civil actions and administrative
12 proceedings arising from wildfires to provide advice regarding potential
13 impact on and coordination with the Debtors' response to and positions
14 in the criminal investigations and any resulting prosecutions;
- 15 iv. Advising and representing the Debtors and coordinating with other
16 counsel in connection with any possible or proposed resolutions or
17 settlements of criminal, civil, or administrative liability arising from
18 California wildfires; and
- 19 h. Providing all other necessary legal services for the Debtors, as related to the
20 above matters, in connection with the above captioned Chapter 11 Cases,
21 including fact investigation, legal researching, briefing, argument, discovery,
22 reorganization, plan and disclosure statement matters, appearance and
23 participation in hearings, and communications and meetings with parties in
24 interest.
- 25 4. MTO shall be compensated in accordance with, and will file, interim and final fee
26 applications for allowance of its compensation and expenses and shall be subject to
27 sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy
28 Local Rules, the Fee Guidelines, and any further order of the Court;

- 1 5. MTO shall be reimbursed for reasonable and necessary expenses as provided by the
- 2 Fee Guidelines;
- 3 6. MTO is authorized without further order of the Court to apply amounts from the
- 4 Retainer to compensate and reimburse MTO and the Economic Consultants for fees or
- 5 expenses incurred prior to the Petition Date consistent with their ordinary course
- 6 billing practices. Notwithstanding anything to the contrary in the Engagement Letter,
- 7 the Debtors are not obligated to replenish the Retainer. MTO shall hold the balance of
- 8 the Retainer until the conclusion of the MTO engagement and the payment of the fees,
- 9 costs, and expenses of MTO as approved in the MTO final fee application, after which
- 10 MTO shall return any remaining balance of the Retainer to the Debtors.
- 11 7. MTO shall use its best efforts to avoid any duplication of services provided by any of
- 12 the Debtors' other retained professionals in these Chapter 11 Cases;
- 13 8. Notice of the Application as provided therein shall be deemed good and sufficient
- 14 notice of the Application;
- 15 9. MTO shall provide reasonable notice to the Debtors and the U.S. Trustee of any
- 16 increase of MTO's hourly rates as set forth in the Weissmann Declaration;
- 17 10. To the extent the Application is inconsistent with this Order, the terms of the Order
- 18 shall govern;
- 19 11. This Court shall retain jurisdiction to hear and determine all matters arising from or
- 20 related to the implementation, interpretation, or enforcement of this Order.

21 **END OF ORDER**

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